1999-2000 prices) in the agriculture and allied sectors has increased from Rs. 43,035 crore in 2003-04 to Rs. 46,215 crore in 2004-05 and further to Rs. 49,987 crore in 2005-06. Private sector participation is encouraged in developing agricultural marketing infrastructure and in providing alternate marketing channels for agri-produce in order to facilitate establishment of private markets, allow direct marketing and contract farming to improve post-harvest management.

Under the Central Sector Scheme "Development and Strengthening of Infrastructure Facilities for Production and Distribution of Quality Seeds", assistance is provided for boosting seed production in the private sector. Under the Scheme, back-ended capital subsidy is provided to private companies, individual entrepreneurs, self-help groups and seed cooperatives at the rate of 25 per cent of the project cost subject to a maximum limit of Rs. 10.00 lakh per unit on seed infrastructure development.

Severe drought in Bundelkhand

1188. KUMARI NIRMALA DESHPANDE: Will the Minister of AGRICULTURE be pleased to state:

(a) whether the people of Bundelkhand area of Uttar Pradesh are facing severe drought and there is no water even for drinking;

(b) if so, what measures are being taken to save the agriculture of that area;

(c) the reasons for this grave situation; and

(d) the short term and long term measures being planned to save the situation?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA): (a) to (d) It is primarily the responsibility of the State Government to take necessary measures in the wake of natural calamities including drought. The Government of India supplements the efforts of the State Government with financial and logistic support. There is ready availability of funds with them in the Calamity Relief Fund (CRF) for taking such measures.

The Government of Uttar Pradesh have informed that due to scarcity of rainfall, Bundelkhand area has been declared drought prone area by them. The State Government have sanctioned Rs. 2 crore per district for Bundelkhand area to tackle the problem of drought. Recovery of land revenue has also been stayed till 31st March, 2008. The State Government have also sanctioned Rs. 20 crores for Banda district, Rs. 5 crores for Chitrakoot district, Rs. 16 crores for Hamirpur district, Rs. 10 crores for Jalaun district, Rs. 20 crores for Jhansi district, Rs. 22 crores for Lalitpur district and Rs. 15 crores for Mahoba district, for agriculture input subsidy. The State's Planning and Agriculture Department have prepared a special package to tackle the situation.

Lower interest rate for agriculture sector

1189. SHRI N.R. GOVINDARAJAR: Will the Minister of AGRICULTURE be pleased to state:

(a) whether Government proposes to lower interest for the agriculture sector and provide cheaper farm inputs in view of the growing distress of the farmers;

(b) if so, the details thereof;

(c) whether Government has any proposal to set up a corpus fund for the farmers; and